

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re: :
William Kleinbrahm, : Chapter 13
Debtor. : Case No. 13-41231 (CEC)
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In re: :
Jay Poe, : Chapter 13
Debtor. : Case No. 13-41232 (CEC)
----- X
In re: :
Truman Reddick, : Chapter 13
Debtor. : Case No. 13-41233 (CEC)
----- X
In re: :
Soo Jung, : Chapter 13
Debtor. : Case No. 13-41235 (CEC)
----- X
In re: :
Eric Cooper, : Chapter 13
Debtor. : Case No. 13-41236 (CEC)
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In re: :
Gabriel Rios, : Chapter 13
Debtor. : Case No. 13-41238 (CEC)
----- X

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In re:
Patricia Goff : Chapter 13
Debtor. : Case No. 13-41247 (CEC)
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In re:
Vernon Dollahite, : Chapter 13
Debtor. : Case No. 13-41349 (CEC)
----- X
In re:
Napoleon Thomas II, : Chapter 13
Debtor. : Case No. 13-41366 (CEC)
----- X
In re:
Gary Gray, : Chapter 13
Debtor. : Case No. 13-41399 (CEC)
----- X
In re:
Charles Hubbard, : Chapter 13
Debtor. : Case No. 13-41416 (CEC)
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In re:
Teresa Davis, : Chapter 13
Debtor. : Case No. 13-41426 (CEC)
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In re:
Luke Scott, : Chapter 13
Debtor. : Case No. 13-41427 (CEC)
----- X

----- X
In re: :
Constance Tan, : Chapter 13
Debtor. : Case No. 13-41477 (CEC)
----- X
In re: : Chapter 13
Tina Restivo, : Case No. 13-41481 (CEC)
Debtor. :
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In re: : Chapter 13
Eugene Morris, : Case No. 13-41526 (CEC)
Debtor. :
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In re: : Chapter 13
Michael Plumhoff, : Case No. 13-41529 (CEC)
Debtor. :
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In re: : Chapter 13
Elizabeth Hoke, : Case No. 13-41606 (CEC)
Debtor. :
----- X
In re: : Chapter 13
Carolyn V. Henderson, : Case No. 13-41558 (CEC)
Debtor. :
----- X
In re: : Chapter 13
Roberto Alcala, : Case No. 13-41681 (CEC)
Debtor. :
----- X

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In re:
Robert Allen,
Debtor.
: Chapter 13
: Case No. 13-41684 (CEC)
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:
In re:
Charles Struckel,
Debtor.
: Chapter 13
: Case No. 13-41715 (CEC)
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:
In re:
Carlos Hartsfield,
Debtor.
: Chapter 13
: Case No. 13-41797 (CEC)
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:
:
In re:
Jacqueline Snipes,
Debtor.
: Chapter 13
: Case No. 13-41846 (CEC)
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:
In re:
Anna Wheeler,
Debtor.
: Chapter 13
: Case No. 13-41924 (CEC)
----- X
:
:
In re:
Jerry Chase,
Debtor.
: Chapter 13
: Case No. 13-41926 (CEC)
----- X

In re: :
Joseph Strong, : Chapter 13
Debtor. : Case No. 13-41928 (CEC)

In re: : Chapter 13
Sharon Brantley, : Case No. 13-41929 (CEC)
Debtor. :
X

In re: : Chapter 13
Michael Riley, : Case No. 13-41930 (CEC)
Debtor. :
X

In re: : Chapter 13
Diane Bridges, : Case No. 13-41931 (CEC)
Debtor. :
X

In re: : Chapter 13
Rodolfo Guerrero, : Case No. 13-41960 (CEC)
Debtor. :
X

In re: : Chapter 13
Bradley Adams, : Case No. 13-41989 (CEC)
Debtor. :
X

STIPULATION AND ORDER

William K. Harrington, the United States Trustee for Region 2 (the “United States Trustee”), and Alan Shuchatowitz (“Shuchatowitz”), by and through their undersigned counsel, hereby enter into this Stipulation regarding the United States Trustee’s Motion for Sanctions under Federal Rule of Civil Procedure 9011 and 11 U.S.C. § 110 and Disgorgement of Fees under 11 U.S.C. § 329 (the “Sanctions Motions”), filed against Shuchatowitz in the above-captioned cases (the “Cases”) on May 7, 2013 as follows:

RECITALS

1. On May 7, 2013, the United States Trustee filed the Sanctions Motions against Shuchatowitz because, among other things, the Cases were filed on behalf of out-of-district debtors (the “Debtors”) with skeletal petitions that were not signed by the Debtors (the “Bankruptcy Petitions”).

2. As to the matter of the Bankruptcy Petitions that are the subject of the Sanctions Motions:

a. Shuchatowitz acknowledges that he had a relationship in connection with which Shuchatowitz and/or Surety Law Group LLC signed and filed the Bankruptcy Petitions with limited information.

b. Shuchatowitz understands and acknowledges that, regrettably, there was an extensive failure to communicate to ensure that the Bankruptcy Petitions were complete, accurate and, thereafter, properly filed with this Court.

c. Shuchatowitz recognizes the seriousness of his actions in failing to ensure that the Bankruptcy Petitions were complete, accurate and properly filed with this Court, and understands the importance of his legal and ethical obligations in this regard.

3. Shuchatowitz represents that he has retained outside ethics counsel in New York to assist his firm on an ongoing basis in establishing and maintaining best practices, policies and procedures in New York to ensure ongoing compliance with New York's Rules of Professional Conduct.

4. The Debtors paid legal fees to Surety Law Group LLC of approximately \$38,000.

5. On June 10, 2015, Surety Law Group LLC filed a chapter 7 bankruptcy case in the District of Columbia (Washington, D.C.). The case number for that filing is 15-00313.

6. Shuchatowitz agrees pay the monetary sanctions set forth below.

In order to resolve the issues raised by the United States Trustee in its Sanctions Motions, the parties have agreed to the remedies set forth below.

IT IS HEREBY STIPULATED, ORDERED AND DECREED AS FOLLOWS:

REMEDIES

Bar to Filing Bankruptcy Cases. Shuchatowitz shall not file or assist in the filing of any bankruptcy case in the United States Bankruptcy Court for the Eastern District of New York in which: (i) venue is improper; (ii) the petition is not complete and accurate, or (iii) the petition fails to include the signature of the debtor.

1. Shuchatowitz acknowledges that if he violates this provision, the United States Trustee may seek sanctions against him for contempt of court.

Monetary Penalties

2. Shuchatowitz agrees to pay to the Debtors approximately 50% of all legal fees paid to Surety Law Group LLC by the Debtors, in the amount of \$19,000, within 10 days of the entry of this order. Checks shall be made payable to the Debtors by certified check or money order or attorney escrow check based on a pro rata distribution of the legal fees paid to Surety Law Group LLC. See Exhibit A attached.¹

3. Shuchatowitz shall not collect or attempt to collect any legal fees and costs from any of the Debtors.

4. Shuchatowitz shall file a certificate of compliance in each of the Cases showing he has complied with the terms of this Stipulation and Order governing monetary penalties no later than 30 days from the entry of this Stipulation and Order.

Reservation of Rights

5. This Stipulation and Order applies only to the above captioned cases. The United States Trustee's rights are fully reserved if other violations are found.

Jurisdiction

6. The parties agree that this Court has jurisdiction under 11 U.S.C. §§ 110 and 329 over the subject matter of these Cases and Shuchatowitz for purposes of this Stipulation and Order and any proceedings to enforce this Order.

¹ As set forth on Exhibit A, which was produced by Surety Law Group LLC and lists the total payments made by each Debtor, the total amount of fees paid by all Debtors is \$38,279.00.

Dated: July 28, 2016

William K. Harrington
United States Trustee

By: /s/ Marylou Martin
Marylou Martin

Trial Attorney
Office of United States Trustee
201 Varick Street, Room 1006
New York, New York 10014

Dated: July 28, 2016

By: /s/ Norma E. Ortiz
Norma E. Ortiz, Esq.
Ortiz & Ortiz, LLP
Attorneys for Alan Shuchatowitz
32-72 Steinway Street – Suite 402
Astoria, NY 11103

Exhibit A

Client	<u>File sign up</u> <u>date/ type</u>	Total Paid	Number of Months on Books as of May - 2013
Adams, Bradley	3/20/2013	1200	2
Alcala, Roberto	11/30/2012	2300	6
Allen, Robert	3/22/2013	1000	2
Brantley, Sharon	4/1/2013	500	1
Bridges, Diane	3/28/2013	500	2
Chase, Jerry	3/20/2013	1100	2
Cooper, Eric	3/8/2013	700	2
Davis, Harry Jr	11/10/2012	3550	6
Dollahite, Vernon	3/8/2013	500	2
Goff, Patricia	3/5/2013	900	2
Gray, Gary	3/11/2013	1600	2
Guerrero, Rodolpho	3/28/2013	1200	2
Hartsfield, Carlos	4/12/2013	400	1
Henderson, Carolyn	3/20/2013	500	2
Hoke, Elizabeth	3/20/2013	300	2
Hubbard, Charles	3/5/2013	500	2
Jung, Soo H	1/7/2013	2549	4
Kleinbrahm, William	2/27/2013	1400	3
Morris, Eugene	2/19/2013	1300	3
Plumhoff, Michael A	11/15/2012	3050	6
Poe, Jay	3/1/2013	280	2
Reddick, Truman	3/2/2013	2500	2
Restivo, Tina	3/3/2012	3750	2
Riley, Michael	3/28/2013	500	2
Rios III, Gabriel	2/1/2013	1600	3
Scott, Luke	3/13/2013	2100	2
Snipes, Jacqueline	3/28/2013	500	2
Strong, Joseph	3/28/2013	500	2
Struckel, Charles	2/25/2013	500	3
Tan, Constance	3/15/2013	500	2
Wheeler, Anna	3/22/2013	500	2